FORM REW-4
MAINE REVENUE SERVICES
Income/Estate Tax Division - REW
P.O. Box 1064
Augusta, ME 04332-1064
Tel. 207-626-8473
Fax 207-624-5062

NOTIFICATION TO BUYER(S) OF WITHHOLDING TAX REQUIREMENT

36 M.R.S.A. § 5250-A provides that every buyer of real property in Maine must withhold tax in an amount equal to 2.5% of the consideration. Any buyer who fails to withhold the tax is personally liable for the tax. The withholding required by § 5250-A must be transmitted to the State Tax Assessor within 30 days of the transfer of the real property.

A buyer is not required to withhold tax if:

(a) The seller furnishes the buyer with a certificate stating that, under penalty of perjury, as of the date of the transfer, the seller is a resident of the State of Maine;

(b) The seller or the buyer has received from the State Tax Assessor, a certificate stating that no tax is due on the gain from the transfer or that the seller has provided adequate security to cover the liability;

(c) The consideration from the property is less than $50,000;

(d) Written notification of the withholding requirements of 36 M.R.S.A. § 5250-A has not been provided to the buyer;

(e) The seller is the State or an agency or a political subdivision of the state, the federal government or an agency of the federal government, an organization exempt from income taxes pursuant to the Internal Revenue Code, § 501(a), an insurance company exempt from the tax imposed by 36 M.R.S.A. § 5250-A or a business entity referred to in 24-A M.R.S.A., § 1157 (5)(B)(1) that is exempt from the tax imposed by this part; or

(f) The property is being transferred pursuant to a foreclosure sale when the consideration paid does not exceed the debt secured by the property held by a mortgagee or lien holder, or a mortgagor conveys the property to a mortgagee in lieu of foreclosure and with no additional consideration.

The undersigned buyer(s) acknowledge(s) receipt of this notification of the withholding tax requirements of 36 M.R.S.A. § 5250-A.

BUYER(S):

_____   _____

_____

_____   By: _____

_____   Title: _____

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